



## 2002 Lennis Knighton Awards for Best Audit

*Large Shop:*

**Office of the City Auditor, San Jose California**  
*An Audit of the Pretreatment Source Control Program*



The panel selected the report submitted by the Office of the City Auditor of the City of San Jose which was a performance audit on the City of San Jose's Environmental Services Department (Department), entitled *An Audit of the Pretreatment Source Control Program (Program)*. The panel found the evidence presented in the report compelling and indisputable. Further, very complex information was presented clearly so that the reader could easily understand the findings.

The audit revealed that the Department was conducting inspections far in excess of federal regulations and that the excessive inspections were not contributing to the Program's effectiveness, and were not value-added. The report allowed the Department to introduce efficiencies in staffing, vehicle assignment, and enforcement of local pretreatment regulations. The Department found the audit report and its charts and graphs so compelling that they submitted to City Council a proposal to reduce Program staffing from 33 positions to 12, and to reduce Program costs by \$1,942,332 by implementing the recommendations.

The audit produced this dramatic change because of the innovative and collaborative approach used throughout the audit. After seeing the report summarized in the N.A.L.G.A. Local Government Auditing Quarterly, the Government Audit Training Institute of the Graduate School USDA contacted the City Auditor to ask for permission to use it as a case study for one of its classes. The Government Audit Training Institute was impressed with the audit and regarded it as a model for incorporating both efficiency and effectiveness in performance auditing. The Institute also planned to incorporate the report's charts and graphs into its training classes as examples of effective presentations.

**Congratulations from N.A.L.G.A.!**